

SOCIAL BUSINESS NETWORK
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Charity No: 1136364
Company No: 06523160

SOCIAL BUSINESS NETWORK

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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SOCIAL BUSINESS NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

Status

The organisation is a company limited by guarantee, incorporated on 4 March 2008 with charitable objects. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under the Articles of Association. Registration as a charity was confirmed in June 2010.

Directors

Albert Tucker (Chair)
Nicholas Hoskyns
Duncan White

Company Secretary

Nicholas Hoskyns

Registered office

25 Hamilton Gardens
London
United Kingdom
NW8 9PU

Bankers

HSBC
2 Craven Rd
London
W2 3PY

Independent Examiner

Michael Wells
SRB Accountancy Limited
The Lower Stables
Main Street
Sudbury, Derbyshire
DE6 5HT

SOCIAL BUSINESS NETWORK

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees have pleasure in presenting their report and financial statements for the year ended 31 March 2022.

Principal activities

The company's principal activity is to act as a charity.

Review of the Year

Social Business Network further established itself during the year 2021/22.

From an administrative perspective, the company maintained its governance functions previously established.

From a project perspective, Social Business Network consolidated and expanded its activities:

- Continuing a partnership with Mozzo Coffee Company managing its Community 2 Community (C2C) Fund, working with coffee cooperative partners, Rebuild Women's Hope in East Africa. With Rebuild Women's Hope, a maternity and paediatric clinic was finalised on Idjwi Island and a safe water supply established to benefit the whole community.
- Finalising its consultancy with Scottish-charity Challenges Worldwide, to support the marketing strategies of coffee cooperative partners in East Africa as they adapted to shifting market opportunities as a result of the Covid-19 pandemic.
- Maintained The Anthony Hoskyns Music Fund as a commemorative fundraising activity through JustGiving. The intention of this fund is to support music courses with a cooperative in Achuapa, Central America.
- Participated on a panel at the COP26 event in Glasgow, promoting the importance of multistakeholder collaborations across supply chains to support farmers in the face of the climate emergency.
- The company purchased shares in Liberation Food CIC, a UK-based nut and snack brand, majority-owned by farmer cooperatives through the International Nut Cooperative. The investment is a further commitment by the charity to promote and support multistakeholder collaborations across the product value chain.
- Established the Rachel Wallace JustGiving in memory of Rogelio Villarreyna from the community of El Sontule, Nicaragua. Funds were raised through JustGiving for Social Business Network, with the intention of supporting agroecology activities in El Sontule.
- Partnered with Welsh social enterprise brand, Jennifer's Coffi, to set up a fund that will work with producer partner Mt Elgon Agroforestry Coffee Cooperative Enterprise (MEACCE) and the Welsh government, in its response to the climate emergency, through activities in Uganda.
- Received funding from Kinnerton Chocolate Company, in preparation for planned future activities, working with cocoa producer partners to plant agroforestry trees on the forest edge in Sierra Leone.
- Through the company's investment and social business trade partner Etico, worked to increase the economic value to farmers, their cooperatives and their communities through developing value-added supply chains. This now includes cocoa, honey and nuts, alongside coffee and sesame. Etico also continued its development activities around the recognition of the unpaid work of women in sesame and coffee supply chains.

Charitable expenditure and donations are disclosed in note 3 to the accounts.

Future developments

During 2022/23, the charity will continue to promote the cooperative business model and facilitate international cooperation. Specifically, Social Business Network will:

- Continue to pioneer the "recognition of the unpaid work of women" initiative and promote multi-stakeholder collaborations across supply chains.
- Continue working with Mozzo on their C2C Fund to develop future projects to bring social, environmental and gender equity opportunities for coffee farming communities.
- Build on its work with the cocoa farmers in the Gola Rainforest, West Africa on their sustainable, 'Forest Friendly' cocoa projects.
- Work with Welsh social enterprise Jennifer's Coffi, its cooperative coffee partner MEACCE in East Africa and the Welsh government, continuing to support their climate emergency activities in its 'Decarbonising Coffee post COP-26' project.
- Through the charity's social business partner, Etico, there will be a continued product focus on sesame and coffee value chains, whilst strengthening the more recent developments in honey, cashew nuts, macadamia nuts, Brazil nuts and cocoa.

SOCIAL BUSINESS NETWORK

REPORT OF THE DIRECTORS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

During the period the charity received income of £48,289 (of which £14,231 was restricted). Its expenditure was £50,674 leaving reserves at the year end of £26,750 (made up of Unrestricted Funds of £11,581 and Restricted Funds of £15,169).

Although the financial position of the charity has improved over the last year, looking forward, the charity will aim to grow its unrestricted funds to further strengthen its balance sheet and consolidate its reserve policy, detailed below.

Reserves policy

During the year the charity maintained its reserves policy. The main factors that are taken into account are the needs to cover fluctuations in income and unplanned expenditure. The charity continues with its aim to build its unrestricted reserve and to maintain a level of at least 12 weeks operational expenditure.

Governance and risk management

The charity has reviewed the risks involved in its activities. The trustees are satisfied that they have put in place appropriate systems and measures to mitigate these risks.

Directors/Trustees

The directors/trustees of the company/charity who served at any time during the financial year, are as listed on page 1. The Trustees regularly review the governance needs of the charity and will, in the future, approach individuals to join the Board who are known or recommended to them as sharing the charity's values and able to contribute appropriate skills or expertise.

Responsibilities of trustees

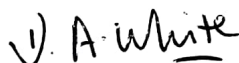
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company's financial activities during the year and of its financial position at the end of the year. In preparing financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small entities.

This report was approved by the trustees on 26 March 2023 and signed on their behalf by:



Duncan White
Director

Company No. 06523160
Charity No. 1136364

I report on the accounts of the company for the year ended 31 March 2022, which are set out on pages 7 to 12.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

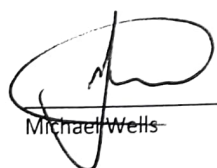
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Michael Wells

SRB Accountancy Limited
The Lower Stables
Main Road
Sudbury
DE6 5HT

Date: 26/03/2023

SOCIAL BUSINESS NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Year ended 31 March 2022			Year ended 31 March 2021
		Unrestricted £	Restricted £	Total £	Total £
Incoming Resources					
Incoming resources from general funds	2	34,058	14,231	48,289	61,386
Total incoming resources		34,058	14,231	48,289	61,386
Resources Expended	3				
Costs of generating funds		-	-	-	-
Charitable activities		29,153	20,032	49,185	35,332
Governance costs		161	-	161	735
Other resources expended		1,328	-	1,328	893
Total Expenditure		30,642	20,032	50,674	36,961
Net incoming / (outgoing) resources		3,416	(5,801)	(2,385)	24,425
Transfer between funds		-	-	-	-
Fund balances brought forward at 31 March 2021	10	8,165	20,970	29,135	4,710
Fund balances carried forward at 31 March 2022	10	11,581	15,169	26,750	29,135

There were no recognised gains or losses for the year ended 31 March 2022 other than those included in the statement of Financial Activities.

The notes on pages 9 to 12 form part of these accounts.

SOCIAL BUSINESS NETWORK**BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	<u>2022</u> £	<u>2021</u> £
Fixed Asset Investments	6	<u>8,761</u>	<u>761</u>
Current Assets			
Debtors	7	-	-
Cash at bank and in hand		<u>26,687</u>	<u>36,911</u>
		<u>26,687</u>	<u>36,911</u>
Creditors: amounts falling due within one year	8	1,761	1,600
Net Current Assets		<u>24,926</u>	<u>35,311</u>
Creditors: amounts falling due in greater than one year	8	6,937	6,937
Net Assets		<u>26,750</u>	<u>29,135</u>
Represented by:			
Restricted funds	10	15,169	20,970
Unrestricted funds	10	11,581	8,165
Total Funds		<u>26,750</u>	<u>29,135</u>

The company is entitled to the exemption from audit under Section 477(1) of the companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the company on 26 March 2022 and signed on its behalf by

Duncan White
Director

The notes on pages 9 to 12 form part of these accounts

1. Accounting Policies**1.1 Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting & Reporting by Charities (SORP 2005)", applicable UK accounting standards and the Companies Act 2006.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, over their expected useful lives.

1.3 Income

Income is received by way of donations, grants, consultancies and gifts in kind and is included in full in the Statement of Financial Activities in the year in which it is receivable. Gifts in kind are included in income at a value which is an estimate of the financial costs borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party. Other income is included when received.

1.4 Expenditure

Expenditure comprises activities undertaken which are directly identifiable as wholly or mainly in support of the company's objectives. Governance expenditure relates to compliance with constitutional and statutory requirements. Charitable activities include expenditure on the various projects and programmes undertaken and include both the direct costs and support costs relating to those activities. Support costs have been allocated to activities on a basis consistent with the use of resources, for example staff and subcontractor costs by time spent and other costs by usage. Resources expended include attributable VAT which cannot be recovered.

1.5 Funds

The company has a provision to restrict income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note 10 to these accounts.

2. Incoming resources from generated funds

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
	£	£	£	£
Donations	-	14,231	14,231	50,654
Consultancy	33,810	-	33,810	10,732
Interest receivable	-	-	-	-
Exchange rate gain	248	-	248	-
	34,058	14,231	48,289	61,386

3. Expenditure

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Cost of generating funds	-	-	-	-
Charitable activities				
Direct project costs	-	20,032	20,032	28,819
Consultancy	29,153	-	29,153	6,513
	29,153	20,032	49,185	35,332
Governance costs				
Trustee expenses	-	-	-	-
Exchange rate loss	-	-	-	585
Examiner fee	161	-	161	150
	161	-	161	735
Other resources expended	1,328	-	1,328	893
	30,642	20,032	50,674	36,961

4. Staff Costs

The company utilised subcontract services during the year amounting to £31,170 (2021: £9,392) to cover its project delivery needs.

5. Trustees' remuneration and reimbursed expenses

1 trustee (Albert Tucker) received remuneration for specialist project consultancy services undertaken on behalf of the company during the year, amounting to £11,969 (2021: £nil).

1 trustee (Nicholas Hoskyns) has a loan account made out to the company for a total of £8,387 (2021: £8,387). This loan is split as £1,450 and £6,937, in respect of amounts due within one year and greater than one year respectively (2021: £1,450 and £6,937). This loan has been made by the trustee as a 'soft-loan', only repayable if and when the charity chooses to and is able to repay, and has been done so to support the charity during its development.

1 trustee (Nicholas Hoskyns) received remuneration in the year from ETICO, in the band £25,001-£35,000 (2021: band £10,000-£25,000). ETICO is a subsidiary of Social Business Network

6. Fixed Asset Investments

	2022 £	2021 £
Investment	8,761	761

The company holds, in trust, £761 of ordinary share capital in ETICO The Ethical Trading and Investment Company Ltd, a social enterprise, which describes itself as a 'business initiative that contributes to a more sustainable world'. The company has no long-term interest in the revenues of ETICO The Ethical Trading and Investment Company Ltd.

The company acquired 100,000 Ordinary shares in Liberation Foods CIC for £8,000 in the year, representing 5.96% of the Ordinary share capital of Liberation. Liberation Foods CIC is a social enterprise nut company, which is owned by a mix of smallholder nut producers and mission driven social enterprises and charities, some of which are also trading partners with ETICO (Social Business Network's subsidiary).

SOCIAL BUSINESS NETWORK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

7. Debtors

	2022	2021
	£	£
Trade debtors	-	-
Accrued income	-	-
	-	-

8. Creditors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade creditors	1,450	1,450
Accruals and deferred income	311	150
	1,761	1,600
Amounts falling due in greater than one year:		
Other creditors	6,937	6,937

9. Share capital

Social Business Network is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

10. Analysis of Charitable Funds

	Balance at 31 March 2021	Incoming Resources	Resources Expended	Resources Transfers	Fund at 31 March 2022
	£	£	£	£	£
Unrestricted fund movements					
General Fund	8,165	34,058	(30,642)	-	11,581
Restricted fund movements					
Mozzo Community 2 Community Fund (C2C)	18,108	6,173	(20,032)	-	4,249
Anthony Hoskyn's Music Fund	2,862	49	-	-	2,911
MEACCE Jenipher's Coffi/Fair Do's Fund	-	2,500	-	-	2,500
Rachel Wallace JustGiving Fund	-	3,010	-	-	3,010
Kinnerton Agro-forestry Sierra Leone Fund	-	2,500	-	-	2,500
Total Restricted fund	20,970	14,231	(20,032)	-	15,169

General Fund

During the year the charity maintained its administrative and project function - primarily supporting consultancy work to two development programmes: (1) Completing its activities with Challenges Worldwide, focusing on working with coffee cooperatives in East Africa; and (2) Establishing a new consultancy with Divine Chocolate to project manage the final year of its project with IDH (the Sustainable Trade Initiative) and cocoa farmers in Sierra Leone. The project is focussed on working with a cocoa cooperative to build their capacity in cocoa quality, business and governance development, and support market opportunities for forest friendly cocoa. As well the charity continued monitoring the activities of ETICO, its investment and social business trade partner.

Mozzo Community 2 Community Fund (C2C)

During the year the charity continued its partnership with Mozzo Coffee through the management of its Community 2 Community (C2C) Fund. Working with coffee cooperative partners, Rebuild Women's Hope in East Africa, the maternity and paediatric clinic on Idjwi Island was finalised and initial running costs were supported. The clinic is serving and benefitting the whole community.

SOCIAL BUSINESS NETWORK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Anthony Hoskyn's Music Fund

During the year the charity retained a fund in memory of one of its longstanding supporters, Anthony Hoskyns, who passed away in 2020. The fund will be used to support music courses with a cooperative in Achuapa, Central America.

Rachel Wallace JustGiving Fund

Rachel Wallace undertook a fun run to commemorate and fundraise in memory of Rogelio Villarreyna from the community of El Sontule, Nicaragua. Funds were raised through JustGiving for Social Business Network. The intention of the fund is to support agro-ecology activities in El Sontule.

MEACCE Jenipher's Coffi/Fair Do's Fund

During the year funding was received to support climate change focussed partnership activities with producer partner Mount Elgon Agroforestry Coffee Cooperative Enterprise Ltd (MEACCE) and the Welsh Government.

Kinnerton Agro-forestry Sierra Leone Fund

During the year funding was received from Kinnerton Chocolate Company. This was in preparation for planned future activities, working with Social Business Network's cocoa producer partners to plant agroforestry trees on the forest edge in Sierra Leone.

11. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed asset investments	8,761	-	8,761
Cash at bank and in hand	11,518	15,169	26,687
Debtors	-	-	-
Creditors: amounts falling due within one year	(1,761)	-	(1,761)
Creditors: amounts falling due in greater than one year	(6,937)	-	(6,937)
	<u>11,581</u>	<u>15,169</u>	<u>26,750</u>